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EXTRAORDINARY

PART II—Section 3—Sub-section (i)

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MINISTRY OF HOME AFFAIRS

ORDER

New Delhi-11, the 24th July 1959

G.S.R. 878.—In exercise of the powers conferred by section 4 of the Inter-State Corporations Act, 1957 (38 of 1957) the Central Government, after consulting the Government of the States of Mysore, Bombay and Andhra Pradesh, approves with certain modifications the scheme forwarded by the Government of Andhra Pradesh relating to the dissolution of the Hyderabad Khadi and Village Industries Board, a Corporation constituted under the Hyderabad Khadi and Village Industries Board Act, 1955 (Hyderabad Act 12 of 1955) and functioning in parts of the States of Mysore, Bombay and Andhra Pradesh, and for the purpose of giving effect to the scheme so approved, the Central Government hereby makes the following Order, namely:—

1. **Short title.**—This order may be called the Hyderabad Khadi and Village Industries Board (Dissolution) Order, 1959.

2. **Definitions.**—In this Order, unless the context otherwise requires,—

- (a) 'Act' means the Hyderabad Khadi and Village Industries Board Act, 1955 (12 of 1955);
- (b) 'Andhra Pradesh Corporation' means the Andhra Pradesh Khadi and Village Industries Board constituted under the Andhra Pradesh Khadi and Village Industries Board Act, 1959;
- (c) 'appointed day' means the 1st August, 1959;
- (d) 'Hyderabad Corporation' means the Hyderabad Khadi and Village Industries Board constituted under the Act;
- (e) 'Karnatak area' means the area transferred from the former State of Hyderabad to the new State of Mysore;
- (f) 'Marathwada area' means the area transferred from the former State of Hyderabad to the new State of Bombay;
- (g) 'Mysore Corporation' means the Mysore State Khadi and Village Industries Board constituted under the Mysore Khadi and Village Industries Act, 1956 (Mysore Act 7 of 1957).

3. **Dissolution of the Hyderabad Corporation.**—As from the appointed day, the Hyderabad Corporation shall stand dissolved.

4. **Transfer of assets and apportionment of Fund of Hyderabad Corporation.**—

(1) Subject to the other provisions of this Order, all lands and all machinery, stores, articles and other goods belonging to the Hyderabad Corporation shall, as from the appointed day,—

- (a) if situated within the Karnatak area, pass to the Mysore Corporation;
- (b) if situated within the Marathwada area, pass to the Government of the State of Bombay; and
- (c) in any other case, pass to the Andhra Pradesh Corporation.

Explanation.—In this sub-clause, the expression “land” includes immovable property of every kind and any rights in or over such property.

(2) The balance standing to the credit of the Fund of the Hyderabad Corporation on the appointed day, shall be apportioned amongst the Andhra Pradesh Corporation, the Mysore Corporation and the Government of the State of Bombay in such proportion as may be agreed upon by the Governments of the States of Andhra Pradesh, Mysore and Bombay and failing such agreement, in such proportion as may be decided by the Central Government.

5. Contracts.—Where, before the appointed day, the Hyderabad Corporation has made any contract, the contract, shall be deemed to have been made—

(a) if the purposes of the contract are, as from the appointed day, exclusively relatable to the Karnatak area, by the Mysore Corporation;

(b) if the purposes of the contract are, as from that day, exclusively relatable to the Marathwada area, by the Government of the State of Bombay;

(c) in any other case, by the Andhra Pradesh Corporation;

and all rights and liabilities which have accrued, or may accrue, under any such contract shall, to the extent to which they would have been rights or liabilities of the Hyderabad Corporation, be the rights or liabilities of the Mysore Corporation of the Government of the State of Bombay or the Andhra Pradesh Corporation, as the case may be.

6. Other assets and liabilities.—The benefit or burden of any assets or liabilities of the Hyderabad Corporation not dealt with in the foregoing provisions shall—

(a) if the assets are situate, or the liability arises, in the Karnatak area, pass to the Mysore Corporation;

(b) if the assets are situate, or the liability arises, in the Marathwada area, pass to the Government of the State of Bombay; and

(c) in any other case, pass to the Andhra Pradesh Corporation:

Provided that the initial allocation of the benefit or burden under this clause shall be subject to such financial adjustment as may be agreed to between the parties concerned, or in default of such agreement, as the Central Government may direct.

7. Legal proceedings.—Where, immediately before the appointed day, the Hyderabad Corporation is a party to any legal proceedings with respect to any property, rights or liabilities transferred to the Mysore Corporation or the Government of the State of Bombay or the Andhra Pradesh Corporation under this Order, the Mysore Corporation or the Government of the State of Bombay or the Andhra Pradesh Corporation, as the case may be, shall be deemed to be substituted for the Hyderabad Corporation as a party to those proceedings, or added as a party thereto, as the case may be, and the proceedings may continue accordingly.

8. Provisions relating to the employees of Hyderabad Corporation.—(1) Every person who, immediately before the appointed day, is an employee of the Hyderabad Corporation shall be deemed to have been allotted to serve in connection with the affairs of—

(a) the Mysore Corporation, if he is serving in the Karnatak area;

(b) the Government of Bombay, if he is serving in the Marathwada area;

(c) the Andhra Pradesh Corporation, in any other case.

(2) Nothing in this clause shall be deemed to affect the right of the Mysore Corporation or the Government of Bombay or the Andhra Pradesh Corporation to determine after the appointed day, the conditions of service of persons allotted to it under sub-clause (1):

Provided that the conditions of service applicable immediately before the appointed day to the case of any such person shall not be varied to his disadvantage except with the previous approval of the Central Government.

[No. 8/15/58-SR(R).]

HARI SHARMA, Additional Secy.